Proposition 1B — Air Quality Improvement Funding

What is Proposition 1B?

Proposition 1B was the transportation bond put on the ballot by the Legislature and before the voters in November 2006. It was part of Gov. Schwarzenegger's Strategic Growth Plan, and included \$1 billion to accelerate badly-needed air quality improvements from the freight transport industry. Voters overwhelming approved the near \$20 billion bond which also made significant investments in highway improvements, congestion relief, expanded public transit, safer rail crossings, and improved anti-terrorism security at shipping ports.

What is the May Revision proposing for Prop. 1B air quality investments?

The Air Resources Board proposes to spend \$111 million in Prop. 1B bond funds to implement its Trade Corridors Emissions Reduction Incentive Program. Under the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, the Air Resources Board is authorized to spend a total of \$1 billion on projects to improve the air quality in California's major trade corridors. These corridors include the Los Angeles/Inland Empire Region, the Central Valley, the Bay Area, and the San Diego/Border Region. This is the first proposed appropriation of Prop. 1B funds.

How will air quality improvement projects be selected?

The Air Resources Board will be responsible for crafting an allocation plan and establishing guidelines and criteria for evaluating proposed air quality improvement projects. The plan and guidelines will be consistent with State law in this area. Staff will seek public input on these proposals before the Board considers approval in late 2007.

Projects expected to be funded by the Air Resources Board over the course of the Program include:

- Upgrade of old, high-emitting trucks used to serve ports and intermodal rail yards, as well as to transport goods and farm produce throughout the state,
- Electrification of piers that serve frequent visitor ships, to avoid the use of onboard diesel generators,
- Replacement of older switch engines and other locomotives with new models meeting ultra-low emissions levels,
- Replacement of existing diesel engines on harbor craft with new, cleaner engines.

Why does the May Revise only propose to invest \$111 million for air quality improvements?

The initial \$111 million for air quality improvements is a significant investment, made in a short period of time. In this first year, the Air Resources Board will design the Program in a public process and set up the program needed to appropriately allocate, monitor and track project funding. With the steps in place to ensure accountability and maximum effectiveness, the Air Resources Board will then begin funding air quality improvement projects in early 2008.

How soon will the rest of the \$1 billion for air quality improvements be appropriated?

There is no time table at this point for future year appropriations. The focus at this time is creating this new program in a manner that ensures accountability and maximum effectiveness for the invested dollars.